

“(2) Payment of insurance proceeds under paragraph (1) shall be a bar to recovery by any other person.”.

(b) USGLI.—Section 1951 is amended—

(1) by inserting “(a)” before “United States Government”; and

(2) by adding at the end the following new subsection:

“(b)(1) Following the death of the insured—

“(A) if the first beneficiary otherwise entitled to payment of the insurance proceeds does not make a claim for such payment within three years after the death of the insured, payment of the proceeds may be made to another beneficiary designated by the insured, in the order of precedence as designated by the insured, as if the first beneficiary had predeceased the insured; and

“(B) if within five years after the death of the insured, no claim has been filed by a person designated by the insured as a beneficiary and the Secretary has not received any notice in writing that any such claim will be made, payment of the insurance proceeds may (notwithstanding any other provision of law) be made to such person as may in the judgment of the Secretary be equitably entitled to the proceeds of the policy.”

“(2) Payment of insurance proceeds under paragraph (1) shall be a bar to recovery by any other person.”.

(c) TRANSITION PROVISION.—In the case of a person insured under subchapter I or II of chapter 19 of title 38, United States Code, who dies before the date of the enactment of this Act, the three-year and five-year periods specified in subsection (f)(1) of section 1917 of title 38, United States Code, as added by subsection (a), and subsection (b)(1) of section 1951 of such title, as added by subsection (b), shall for purposes of the applicable subsection be treated as being the three-year and five-year periods, respectively, beginning on the date of the enactment of this Act.

#### SEC. 402. EXTENSION OF COPAYMENT REQUIREMENT FOR OUTPATIENT PRESCRIPTION MEDICATIONS.

Section 1722A(d) is amended by striking “September 30, 2002” and inserting “September 30, 2006”.

#### SEC. 403. DEPARTMENT OF VETERANS AFFAIRS HEALTH SERVICES IMPROVEMENT FUND MADE SUBJECT TO APPROPRIATIONS.

(a) AMOUNTS TO BE SUBJECT TO APPROPRIATIONS.—Effective October 1, 2002, subsection (c) of section 1729B is amended by striking “Amounts in the fund are hereby made available,” and inserting “Subject to the provisions of appropriations Acts, amounts in the fund shall be available.”.

(b) TECHNICAL AMENDMENT.—Subsection (b) of such section is amended by striking paragraph (1) and redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively.

#### SEC. 404. NATIVE AMERICAN VETERAN HOUSING LOAN PILOT PROGRAM.

(a) EXTENSION OF NATIVE AMERICAN VETERAN HOUSING LOAN PILOT PROGRAM.—Section 3761(c) is amended by striking “December 31, 2001” and inserting “December 31, 2005”.

(b) AUTHORIZATION OF THE USE OF CERTAIN FEDERAL MEMORANDUMS OF UNDERSTANDING.—Section 3762(a)(1) is amended—

(1) by inserting “(A)” after “(1)”;

(2) by striking “and” after the semicolon and inserting “or”; and

(3) by adding at the end the following:

“(B) the tribal organization that has jurisdiction over the veteran has entered into a memorandum of understanding with any department or agency of the United States with respect to direct housing loans to Native Americans that the Secretary determines substantially complies with the requirements of subsection (b); and”.

#### SEC. 405. MODIFICATION OF LOAN ASSUMPTION NOTICE REQUIREMENT.

Section 3714(d) is amended to read as follows:

“(d) With respect to a loan guaranteed, insured, or made under this chapter, the Secretary shall provide, by regulation, that at least one instrument evidencing either the loan or the mortgage or deed of trust therefor, shall conspicuously contain, in such form as the Secretary shall specify, a notice in substantially the following form: ‘This loan is not assumable without the approval of the Department of Veterans Affairs or its authorized agent’.”.

#### SEC. 406. ELIMINATION OF REQUIREMENT FOR PROVIDING A COPY OF NOTICE OF APPEAL TO THE SECRETARY.

(a) REPEAL.—Section 7266 is amended by striking subsection (b).

(b) CONFORMING AMENDMENTS.—Such section is further amended—

(1) by striking “(1)” after “(a)”;

(2) by redesignating paragraph (2) as subsection (b);

(3) by redesignating paragraph (3) as subsection (c) and redesignating subparagraphs (A) and (B) thereof as paragraphs (1) and (2); and

(4) by redesignating paragraph (4) as subsection (d) and by striking “paragraph (3)(B)” therein and inserting “subsection (c)(2)”.

#### SEC. 407. PILOT PROGRAM FOR EXPANSION OF TOLL-FREE TELEPHONE ACCESS TO VETERANS SERVICE REPRESENTATIVES.

(a) PILOT PROGRAM.—The Secretary of Veterans Affairs shall conduct a pilot program to test the benefits and cost-effectiveness of expanding access to veterans service representatives of the Department of Veterans Affairs through a toll-free (so-called “1-800”) telephone number. Under the pilot program, the Secretary shall expand the available hours of such access to veterans service representatives to not less than 12 hours on each regular business day and not less than six hours on Saturday.

(b) INFORMATION TO BE PROVIDED.—The Secretary shall ensure, as part of the pilot program, that veterans service representatives of the Department of Veterans Affairs have available to them (in addition to information about benefits provided under laws administered by the Secretary) information about veterans benefits provided by—

(1) all other departments and agencies of the United States; and

(2) State governments.

(c) CONSULTATION.—The Secretary shall establish the pilot program in consultation with the heads of other departments and agencies of the United States that provide veterans benefits.

(d) VETERANS BENEFITS DEFINED.—For purposes of this section, the term “veterans benefits” means benefits provided to a person based upon the person’s own service, or the service of someone else, in the Armed Forces.

(e) PERIOD OF PILOT PROGRAM.—The pilot program shall—

(1) begin not later than six months after the date of the enactment of this Act; and

(2) end at the end of the two-year period beginning on the date on which the program begins.

(f) REPORT.—Not later than 120 days after the end of the pilot program, the Secretary shall submit to the Committees on Veterans’ Affairs of the Senate and House of Representatives a report on the pilot program. The report shall provide the Secretary’s assessment of the benefits and cost-effectiveness of continuing or making permanent the pilot program, including an assessment of the extent to which there is a demand for ac-

cess to veterans service representatives during the period of expanded access to such representatives provided under the pilot program.

#### SEC. 408. TECHNICAL AND CLERICAL AMENDMENTS.

(a) AMENDMENTS TO TITLE 38, UNITED STATES CODE.—Title 38, United States Code, is amended as follows:

(1)(A) Section 712 is repealed.

(B) The table of sections at the beginning of chapter 7 is amended by striking the item relating to section 712.

(2) Section 1710B(c)(2)(B) is amended by inserting “on” before “November 30, 1999”.

(3) Section 3695(a)(5) is amended by striking “1610” and inserting “1611”.

(b) OTHER AMENDMENTS.—

(1) Section 1001(a)(2) of the Veterans’ Benefits Improvements Act of 1994 (38 U.S.C. 7721 note) is amended by striking “and” at the end of subparagraph (C).

(2) Section 12 of the Homeless Veterans Comprehensive Service Programs Act of 1992 (38 U.S.C. 7721 note) is amended in the first sentence by striking “to carry out this Act” and all that follows in that sentence and inserting “to carry out this Act \$50,000,000 for fiscal year 2001.”.

#### SEC. 409. CODIFICATION OF RECURRING PROVISIONS IN ANNUAL DEPARTMENT OF VETERANS AFFAIRS APPROPRIATIONS ACTS.

(a) CODIFICATION OF RECURRING PROVISIONS.—Section 313 is amended by adding at the end the following new subsections:

“(c) COMPENSATION AND PENSION.—Funds appropriated for Compensation and Pensions are available for the following purposes:

“(1) The payment of compensation benefits to or on behalf of veterans as authorized by section 107 and chapters 11, 13, 51, 53, 55, and 61 of this title.

“(2) Pension benefits to or on behalf of veterans as authorized by chapters 15, 51, 53, 55, and 61 of this title and section 306 of the Veterans’ and Survivors’ Pension Improvement Act of 1978.

“(3) The payment of benefits as authorized under chapter 18 of this title.

“(4) Burial benefits, emergency and other officers’ retirement pay, adjusted-service credits and certificates, payments of premiums due on commercial life insurance policies guaranteed under the provisions of article IV of the Soldiers’ and Sailors’ Civil Relief Act of 1940 (50 U.S.C. App. 540 et seq.), and other benefits as authorized by sections 107, 1312, 1977, and 2106 and chapters 23, 51, 53, 55, and 61 of this title and the World War Adjusted Compensation Act (43 Stat. 122, 123), the Act of May 24, 1928 (Public Law No. 506 of the 70th Congress; 45 Stat. 735), and Public Law 87–875 (76 Stat. 1198).

“(d) MEDICAL CARE.—Funds appropriated for Medical Care are available for the following purposes:

“(1) The maintenance and operation of hospitals, nursing homes, and domiciliary facilities.

“(2) Furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department, including care and treatment in facilities not under the jurisdiction of the Department.

“(3) Furnishing recreational facilities, supplies, and equipment.

“(4) Funeral and burial expenses and other expenses incidental to funeral and burial expenses for beneficiaries receiving care from the Department.

“(5) Administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction, and renovation of any facility under the jurisdiction or for the use of the Department.

“(6) Oversight, engineering, and architectural activities not charged to project cost.